

# *ITT and the Allende Government*

**Jack Anderson**

Was International Telephone and Telegraph (ITT) behind the U.S. effort to undermine the late Salvador Allende's government in Chile? Consider these curious coincidences:

- On March 21, 1972, we reported that the CIA and ITT had been "plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup . . ." The CIA spent \$8 million, most of it on economic sabotage, to weaken Allende's government. The coup came exactly 18 months after we reported the CIA-ITT SCHEME.

- Even before Allende took office, we also reported, ITT sent a secret message to Henry Kissinger urging American action to stop Allende. The Marxist leader had won Chile's election by a plurality, not a majority. Under the constitution, therefore, the Chilean congress would make the final choice between Allende and the second highest vote getter. The CIA passed out \$350,000 to bribe members of the Chilean Congress to vote against Allende.

- ITT's links with the CIA were unusually strong. John McCone, a former CIA director, had become an ITT director. Among the ITT documents, which we uncovered, was an Oct. 9, 1970, report to McCone on Chile declaring: "Approaches continue to be made to select members of the armed forces in attempt to have them lead some

sort of uprising—no success to date."

- Edward Korry, the former U.S. ambassador to Chile, operated the U.S. embassy virtually as a branch office for ITT. The ITT documents in our possession show he described his anti-Allende activities to ITT's director of international relations, J. D. Neal.

Korry's reports to ITT often were more candid than his reports to the State Department.

- While working behind the scenes with ITT against Allende, Korry spoke to Allende about a deal to pay off ITT and two copper companies in U.S.-guaranteed Chilean bonds. Under this plan, the U.S. would have had to make good on the bonds and would have wound up paying ITT a whopping \$90 million. But Allende turned down the deal, according to Korry, for "ideological reasons."

- We wrote a series of columns in March 1972, describing how the CIA and ITT had conspired together to promote Chile's economic collapse. Kissinger personally assured us, however, that the scheme had never been carried out. On his word, we wrote that the plan received a "cool reception from the White House and State Department." Now we learn that Kissinger, after telling us this, approved additional CIA expenditures to undermine the Chilean economy. The last million was approved as late as August 1973, only a month before

We also reported on March 30, 1972, the reasons that the CIA wanted to eliminate Allende. We wrote that Allende had permitted Cuba's Fidel Castro to turn his embassy in Santiago, Chile, into "the principal Cuban center for support of Latin-American liberation movements."

The CIA had reliable information that the Soviet KGB was using the Cuban DGI intelligence network to promote communism and undermine democracy in Latin America. This had been reported to the hush-hush 40 committee, which approved the covert CIA activities against Allende.

Meanwhile, we turned our files over to Sen. Frank Church, D-Idaho, whose Senate subcommittee scolded both the CIA and ITT for their bizarre plottings.

But because U.S. officials lied under oath to the subcommittee, Church was never able to get to the bottom of the affair. We would still like to know what role ITT played in manipulating U.S. foreign policy.

**WATCH ON WASTE**—The Army is buying 551 dump trucks, which are too weighty and too wide for most highways. Their giant tires, moreover, begin burning up after 90 minutes on the road.

The Army wound up with this mechanical Frankenstein because the brass hats insisted on installing an automatic transmission never before used in dump trucks.

*After two years of testing the no problem."*

needed a second transmission, which made it too heavy. The Army aggravated the problem by demanding thicker steel, which made it not only too heavy but too wide for many roads.

Even on highways that were wide enough, the trucks had to stop for half an hour every 90 minutes to cool off the tires. For under a full load at 40 miles an hour, the tires began to burn up after 90 minutes.

A horrified Deputy Assistant Secretary Joseph Zengerle warned in an internal memo about "the embarrassment to the Army if we purchase a truck which cannot satisfy the specified load-carrying requirements."

Yet despite his warning, the Army began ordering trucks without fully testing the first model. Result: the taxpayers are committed to pay \$16 million for 551 trucks, and the cost could go as high as \$29 million.

The Army, in a two-page defense of the goof-ridden vehicle, said the Vietnam experience indicated automatic transmissions were cost effective. The early re-ordering was done, therefore, to save money.

The tests, said the Army, were "successful." The truck was "rugged," and its defects were "more apparent than real." As for the tires, a 90-minute break was standard for such dumpers, said the Army. "The tire cooling when placed in perspective is no problem."